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## Engineer Pleads Not Guilty in California Spy Case

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SAN FRANCISCO, Dec. 12 — In the first step of an elaborate legal dance in a case that has shaken "Silicon Valley," an engineer accused of selling weapons secrets to Polish spies pleaded not guilty to the charges today.

Late Friday, a Federal grand jury here indicted the 49-year-old engineer, James Durward Harper Jr., on nine counts of espionage and tax evasion. Government investigators said he had participated in a scheme through which he received at least \$250,000 from agents of the Polish Intelligence

Service for 61 secret and confidential documents on missile research purloined from the employer of his wife, who died June 22. He was arrested Oct. 17 and has been held without bail at an undisclosed location.

Mr. Harper's arraignment leaves many questions in the case unresolved, mainly the fate of what Mr. Harper has called "the big man" in the case, Dr. William Bell Hogle. Dr. Hogle is an engineer prominent in the business and political life of the high-technology region about 50 miles south of here that is known as Silicon Valley. According to an affidavit filed Oct. 14 by the Federal Bureau of Investigation, Mr. Harper was introduced to the spies by Dr. Hogle, who has not been arrested or charged.

### Speculation on Bargaining

There is speculation that Mr. Harper, who faces up to life in prison, is negotiating with Federal authorities for leniency in return for his cooperation in building a case against Dr. Hogle and others. The case is being closely watched because it may shed light on the complex relationships between the computer and electronics firms that are crowded into the narrow San Francisco Peninsula and the many foreign agents who see them as a valuable source of American technical data.

After the arraignment Federal District Judge Samuel Conti, to whom the case was assigned, set a hearing for Friday at which he is expected to set a trial date.

Whether Mr. Harper, who spent months in vain trying to arrange for immunity before surrendering, will ever stand trial is an open question. At a news conference after the arraignment, Mr. Ladar said there was "always a possibility" of a negotiated plea in such cases, although he stressed he was not necessarily anticipating that.

The indictment added some detail to the charges previously aired in the affidavit issued when Mr. Harper was arrested. It contended that from May 1979 Mr. Harper conspired to sell

American secrets with his wife, Ruby Louise Schuler; a Polish agent, Zdzislaw Przychodzien; another Polish representative in Mexico known only as Jacques, and others.

The documents, it was charged, were made available by his wife, who worked at Systems Control Inc. of Palo Alto, which worked under contract to the Defense Department's Ballistic Missile Defense Advanced Technology Center in Huntsville, Ala.

According to the indictment, Mr. Harper, a power-supply engineer, met with the Polish agents in Vienna, Warsaw and various Mexican cities and turned over batches of documents on four dates in 1980, 1981 and 1983 in Warsaw and in three Mexican cities, Mexico City, Matamoros and Tijuana.

Federal officials had earlier said the documents made their way to Moscow and that several Polish and Soviet agents were decorated for obtaining them.

The name of the 58-year-old Dr. Hogle figured neither in today's proceedings nor in the indictment. But Federal investigators had said in court documents that Dr. Hogle received one-third of payments the Poles made to Mr. Harper. Last month, a Federal grand jury here obtained legal authority for access to Dr. Hogle's financial records.

Mr. Harper was also indicted for evading income taxes on much of his income for 1982 and for making false tax returns in 1981 and 1982. Those charges are presumably based on concealment of money he might have received from the Polish Government.